

Project Name: _____ Location (City/County) _____

VIRGINIA DEPARTMENT OF HEALTH (VDH)
OFFICE OF DRINKING WATER (ODW)
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

RETURN APPLICATION TO:
Virginia Department of Health
Office of Drinking Water
109 Governor Street, 6th Floor
Richmond, VA 23219
(Voice: 804-864-7501)
(FAX: 804-864-7521)

Note: Submit two complete and signed hard copy applications and two copies of all required attachments to the address shown at the left before the application deadline

APPLICATION FOR CONSTRUCTION FUNDS

Application also available at: http://www.vdh.virginia.gov/odw/financial/dw_funding_program_details.htm

Year-Round Submittals Accepted

Applicants are advised to schedule the required Preliminary Engineering Conference with the appropriate ODW Field Office prior to February 15th.

PRE-REQUIREMENTS FOR FUNDING

If you answer **YES** to either of these questions; **STOP** as you are not eligible to apply for funds.

1. Have you been debarred or suspended from applying for state or federal funds? ☐ Yes ☐ No.
2. Is your waterworks state, federally, or tribally owned? ☐ Yes ☐ No.

PRE-REQUIREMENTS FOR CONSTRUCTION APPLICATIONS

If you answer **NO** to any of these questions; **STOP** as you are not ready to apply for construction funds.

Please contact us to work with you on planning the project.

1. Are you either a community or non-profit noncommunity waterworks? ☐ Yes ☐ No.
2. Have you had a Preliminary Engineering Conference (PEC) with ODW's Field Office? ☐ Yes ☐ No.
3. Source – ☐ Yes ☐ No.
Do you have an adequate drinking water source or source agreement contract?
If yes, provide documentation from ODW's Field Office that the source or contract is adequate.
☐ Not Applicable-project is for new well, or I am filing for a consecutive waterworks.
4. User Agreements for new service area customers - ☐ Not Applicable
Do you have executed agreements or commitments from your initial survey from a majority of customers in the project area? ☐ Yes ☐ No.
If yes, please provide an area map indicating existing potential connections and indicating those committed.
NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.
5. Davis-Bacon Wage Act and American Iron and Steel requirements will apply. I can comply with these requirements. ☐ Yes ☐ No.
6. The earliest we expect DWSRF funds to become available is the first quarter of next year. Will this meet your needs? ☐ Yes ☐ No.

SHARING APPLICATION INFORMATION

Application information will be posted to the VDH website as part of a public comment period. Any information provided as part of this application is subject to Freedom of Information Act requests. Confidential or proprietary information should be retained by the applicant.

In addition VDH may share application information with other funding entities in an effort to facilitate funding partnerships and assisting you in seeking other funding opportunities. Your selection of "Yes" or "No" will not impact the prioritization of your project.

Do you have any objections to sharing this information with other funding entities? ☐ Yes, I object. ☐ No, no objections.

SECTION A – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

1. Project Name: _____ Location (City/County) _____
2. Waterworks type:
- ☐ Publicly-owned community PWS ID number: _____ System Name: _____
- ☐ Investor-owned community PWS ID number: _____ System Name: _____
- ☐ Nonprofit noncommunity PWS ID number: _____ System Name: _____
- ☐ None of the above Explanation: _____
3. Legal Owner of Waterworks or Authorized Agent:
- a. Name: _____
- b. Address: _____
Street Address/P.O. Box Town/City State ZIP
- c. Contact Person: _____
- d. Telephone Number: _____ Alternate Number: _____
- e. FAX Number: _____ E-mail Address: _____
- f. Federal DUNS #: _____ CCR # _____
4. Engineering Consultant (If applicable):
- a. Firm Name: _____
- b. Address: _____
Street Address/P.O. Box Town/City State ZIP
- c. Preferred Contact Info:
- Contact Person: _____
Name Title
- Telephone Number: _____ Alternate Number: _____
- E-mail Address: _____ Alternate E-mail Address: _____
- FAX Number: _____

SECTION B – APPLICATION CERTIFICATION

Submittal of this application is only a starting point for discussion and is not a binding agreement on either party.

Incomplete information may result in the delay or rejection of the application request.

The undersigned representative of the applicant certifies that the information contained herein and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

Owner or Chief Administrative Officer of Waterworks:

NAME and TITLE: _____

ORGANIZATION: _____

SIGNATURE : _____ DATE: _____

SECTION C – REQUIRED ATTACHMENTS – Please check those attached and label your attachments with corresponding numbers (i.e. C-1, C-2, etc.).

1. Other Funds Available (e.g. Letters of conditions, award letters, etc.)

2. Outstanding debt amount and with whom
3. Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
4. Project issue documentation.
5. Median Household Income – including site income surveys if census information not at project level.
6. VDH's 4 page Construction Project Schedule.
7. Results of user agreement/commitment initial survey with project map.
8. Adequate drinking water source or source agreement contract – VDH approved.
9. Preliminary Engineering Conference documentation/notes or VDH-Office of Drinking Water letter/email waiving this requirement. If a Preliminary Engineering Report has been drafted for this project include a copy of that also. Any letter reports, design memos, or alternatives analysis should be included in this section. Regionalization should be considered as an option.
10. Explain status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.)
11. Current rate schedule for water connection fee for water and date of last increase.
12. Monthly average of residential water usage. Use total annual gallons billed for in-town residential customers divided by 12 months and divide by the total number of in-town residential customers.
13. Not Used
14. Listing of 10 largest water users and estimated monthly consumption per user.
15. Basis for O, M & R cost for proposed project and existing system.
16. One copy of the latest interim (unaudited) financial statement.
17. One copy of the current year budget.
18. One copy each of the three most recent (within 5 years) annual audits (or Tax Returns for individuals).
19. For the proposed project – a six-year cash flow analysis of revenue – using VDH project only template- and expenses (operating budget) showing as a bottom line funds available for debt service.
20. For the entire waterworks including proposed project(s) – a six year cash flow analysis – using VDH overall waterworks template- of revenue and expenses (operating budget) showing as a bottom line funds available for debt service.
21. Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system lines and tanks from cracks, leaks, and tank overflows divided by total water production. Should match Section G.1.f.
22. Asset Management Plan (as described in Section J).

Items 9, 16, 18 and 22 may be submitted in PDF format on a CD or thumb drive provided 2 copies are submitted.

Items 19, 20, and 21 may also be included in spreadsheet format on the CDs or thumb drives. Please make note on the application that the information is included in the attached digital material.

Item 18 – Tax Returns for individuals – if applicable, please redact or blacken any social security numbers.

SECTION D – PROPOSED PROJECT DESCRIPTION – Provide Documentation

Please provide a brief summary and a detailed project description including a map/sketch depicting the project area and proposed facilities including length of waterlines, storage tank(s) sizes, etc. (Sketches on 8 ½ by 11 portions of topo sheets are adequate.)

I. Brief Summary – 3 sentences or less for each A, B, and C.

- A. Briefly describe the public health issue, concern, or problem that this project intends to correct or address.** This can include resiliency, redundancy, reliability, climate change, or green project related issues. Attach supporting info as necessary.

- B. Briefly describe the proposed project scope of work by size (e.g. diameter, volume, pump capacity) and units (e.g. linear feet for pipe and number for tanks and pump stations).**

- C. Briefly quantify the benefits expected to be realized (or problems corrected) upon successful completion of the project.**

II. Demographics

- A. Describe income levels in the proposed project area.**

- B. Describe the community that benefits from the proposed project.**

- C. Describe the type number and stories of structures (primary residences, vacation homes, industrial buildings, etc.) and amount of vacate land for the area that benefits from the project. For small projects (less than 75 homes), provide tax map information showing parcel number, owner, and valuation.**

SECTION E - PROPOSED FINANCING

1. Construction Funding for this Project

- a. VDH Funding Assistance Needed \$ _____
(only include SRF eligible items and should match Section H – Project Budget Information, Item 14)

- b. Other Funds Available, provide details below: – **Provide documentation as Attachment C-1.**

| | <u>Source Dollars</u> | <u>Source Name</u> | <u>Status of Securing Other Funding</u> (Approved, pending, indicate loan terms, and date available, etc.) |
|------------|-----------------------|--------------------|--|
| 1 a. grant | _____ | _____ | _____ |
| b. loan | _____ | _____ | _____ |
| 2 a. grant | _____ | _____ | _____ |
| b. loan | _____ | _____ | _____ |
| 3 a. grant | _____ | _____ | _____ |
| b. loan | _____ | _____ | _____ |
| 4 a. grant | _____ | _____ | _____ |
| b. loan | _____ | _____ | _____ |

Subtotal: _____

- c. Total Project Cost (1a + 1b) = \$ _____

2. Type of security applicant anticipates giving for the loan: *[Check All Appropriate Type(s)]*

- ☐ Pledge of Revenue of the Water System Only.
☐ Pledge of Revenue of Water and Sewer System.
☐ General Obligation of the Locality.
☐ Other – Describe: _____

3. Do you have any outstanding debt related to the water and sewer system? ☐ Yes ☐ No

If yes, have you requested that new debt be issued on parity with the old? ☐ Yes ☐ No

Provide documentation as Attachment C-2.

4. Median Household Annual Income (MHI) of area to be served \$ _____ /year

Use the census block or latest update for county/city/towns (<http://factfinder.census.gov>). Provide project specific income survey data for those projects not large enough to be identifiable via census information.

If you have applied or will apply to other funding agencies that require an income survey, attach the results to this application. For efficiency consider doing income and user agreement surveys at the same time. For assistance please contact VDH-ODW.

Provide Documentation of Basis/Referenced Source as Attachment C-5

SECTION F - PROJECT ISSUES – Provide documentation as Attachment C-4 of each yes answer.

Presented here are relative issues that need consideration for construction projects:

- | 1. Health Issues | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| Is there a <i>Surface Water Treatment Rule</i> violation, i.e., inadequately treated surface water or groundwater under the influence of surface water? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there persistent <i>Total Coliform Rule</i> or nitrate standard violations? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a continuing <i>Boil Water Notice</i> in effect? Reason: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a Health Hazard declaration by the State Health Commissioner, a State Declared Emergency, or have you been issued a formal enforcement order? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there persistent PMCL violations for contaminants such as VOC, SOC, IOC, RAD etc.? (circle: VOCs, SOC, IOC, RADs etc.) | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there Lead and Copper Action Levels Exceedances? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there known Lead Service Lines that are to be removed? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does the waterworks have an Enforcement Targeting Tool (ETT) score ≥ 11 ? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project resolve conditions of inadequate quality and quantity of a groundwater source water supply? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project ensure that drinking water receives appropriate treatment to protect the health of the consumers? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will the project prevent conditions favoring the entrance of contaminants into the distribution system, e.g., inadequate pressure, inadequate storage, system water losses, etc.? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are there inadequate individual water supplies documented via report and letter by the District Health Director to show health hazards? | <input type="checkbox"/> | <input type="checkbox"/> |
| Provide as Attachment C-7 supporting report and data with representative samples from at least 50% of the homes in the project area. The samples are to be evenly spaced and all potential line segments sampled. The project map will illustrate the results and problem areas. | | |
| 2. Regionalization – Has regionalization been considered? Will this project consolidate non-complying waterworks or improve resiliency? Explain below: | | |
| 3. Readiness to proceed. This application assumes you have not initiated design or construction. IF this is not the case please contact VDH. | | |
| (a) Please provide documentation as Attachment C-3 that your controlling board, council, president, etc. has approved this project submittal. | | |
| (b) New construction timeline – To provide these answers, USE and submit the attached Construction Project Schedule as Attachment C-6 . | | |
| (c) For new service area customers, please document number of user agreements or commitments obtained in initial survey _____; _____ residential, _____ other. <i>This initial survey must obtain executed agreements or commitments from at least a majority of the homes in the project area. Continuation of the initial survey is a requirement and the final survey result is intended to obtain 80% or more for the project to be feasible from a positive cash flow perspective. Provide as Attachment C-7 a project map indicating existing potential connections and indicating those committed. NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.</i> | | |
| (d) Provide documentation that an adequate drinking water source or source agreement contract is available and that VDH Field Office has approved as Attachment C-8 . The source agreement contract can be contingent on VDH approving the project construction. | | |
| (e) Please provide a copy of the Preliminary Engineering Conference documentation/notes, letter reports, design notes or the Preliminary Engineering Report for the project as Attachment C-9 . | | |
| (f) Explain/include as Attachment C-10 status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.) | | |

SECTION G -STATISTICAL DATA

1. Connections and Population:

| ID | Data Description | Connections | Population ⁽⁴⁾ |
|----|--------------------------------------|-------------|---------------------------|
| a. | Existing residential | | |
| b. | Existing total | | |
| c. | Project residential ⁽¹⁾ | | |
| d. | Project total ⁽¹⁾ | | |
| e. | Future residential ^(2, 3) | | |
| f. | Future total ^(2, 3) | | |

Notes:

- (1) New connections and/or existing connections that benefit from the project.
- (2) For a water line extension project, e. = a. + c. and f. = b. + d because new connections are being added. For any project that benefits existing connections only, e. = a. and f. = b., and then c. and d. will reflect how many existing residential and total connections, respectively, benefit from the project.
- (3) For a project that benefits existing connections (e.g. – water line replacement) **and** also adds new connections (water line extension) then c. and d. will reflect how many residential and total connections, respectively, benefit from the project (connections that benefit from the project + new connections). In this case, e. = a. + new residential connections added and f. = b. + new total connections added.
- (4) Provide population estimates based on the previous column (connections).

2. Water Usage and losses: - **Provide supporting documentation as Attachments C-12 and C-21**

- a. What is the current monthly average number of gallons of water used per residential connection? _____ gallons/month.

Use total annual gallons billed for in-town residential customers divided by 12 months and divided by the total number of in-town residential customers.

- b. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g. firefighting) should be excluded.

Water losses as a percentage of total production. = _____%

This percentage includes: ☐ Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)
☐ Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])

3. Individual water meters are on:

- ☐ All services
☐ Only commercial accounts
☐ Only residential customers
☐ Some services: Provide additional information: _____
☐ None are metered.

If none are metered, is metering included in this project? ☐ Yes ☐ No.

Explanatory statement, if appropriate:

4. Rates: **Attach rate schedules as Attachment C-11**

- a. Existing monthly water charges (explain here):

- b. When were water rates last increased? **Please provide dates and amount/percentage of increase as Attachment C-11.**

- c. What is your connection fee for water?

- d. Are rate increases anticipated as a result of this project? ☐ Yes ☐ No

If yes, please provide the amount and percentage increase expected and the anticipated effective date for the increase(s).

5. Water Users

| a. Service Area Jurisdictions | b. # of Existing Residential Connections | c. # of Project Residential Connections at Completion |
|-------------------------------|--|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

d. Existing drinking water usage _____ gpd. _____ % residential _____ % nonresidential

e. As **Attachment C-14**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

6. Determine Average Monthly Residential Water User Rate:

- a. Enter the average monthly water used per residential connection from item G.2.a. above: _____ gallons/month
- b. Using the current rate structure (in-town, if applicable) for residential customers apply it to the average monthly residential water usage to derive the average monthly user rate =

Average Monthly Residential Water User Rate = \$ _____ /month This is your **Water User Rate**.

7. Determine Target User Rates:

Target user rates are set as a percent of Median Household Income (MHI). The annual MHI utilized for a project is to be based upon the latest census figures or latest update for the city, town or county in which the waterworks is located. Multiply by 0.01 (or 1%) and divide by 12 months to get the monthly target rate.

MHI (from item Section E, 4. Above) = \$ _____ x 0.01 = \$ _____ /month. This is your **Target User Rate**.
(12 months/year)

8. Evaluate Current Rate Structure:

Does the value in Item 6 (water user rate) equal or exceed the value in item 7 (target user rate), above?

Yes
☐

No
☐

If you answered "Yes" your waterworks/project may qualify as Disadvantaged. However rate increases/adjustments may be required to meet debt obligations or pass a VRA credit review.

If you answered "No" then the information indicates the owner needs to adjust water rates to ensure adequate revenues. Having adequate financial resources is crucial to maintaining a successful and sustainable waterworks. Furthermore, EPA mandates that all borrowers receiving program assistance must demonstrate full financial capacity in order to receive funds.

Waterworks are expected to meet or exceed the target rate criteria at or before the time of project completion. VDH reserves the right to require a rate revision plan and implementation schedule acceptable to VDH.

SECTION H – PROJECT BUDGET INFORMATION – From PER based on existing PWS’s financial statements

- | | |
|---|----------------|
| 1. Administration, Legal Expense (should be less than \$10,000 each) | \$ _____ |
| 2. Land, Right-of-Way | \$ _____ |
| 3. Architectural/Engineering Basic Fees | \$ _____ |
| 4. Other Architectural/Engineering Fees (PER, etc.) | \$ _____ |
| 5. Project Inspection Fees | \$ _____ |
| 6. Other (Explain. e.g. Lead Service Lines) _____ | \$ _____ |
| 7. Treatment Plant Construction | \$ _____ |
| 8. Pump Station Construction | \$ _____ |
| 9. Distribution System Construction | \$ _____ |
| 10. Storage Tank Construction | \$ _____ |
| 11. Equipment Purchase/Installation | \$ _____ |
| 12. Contingencies _____ No more than 5% of the construction costs | \$ _____ |
| 13. Other (Asset Management Plan, WBOP, Studies, etc.) | \$ _____ |
| 14. Loan Closing Fee* | \$ _____ 6,000 |
| 15. TOTAL [Round to the nearest thousand] (should match Section E) | \$ _____ |

*VDH reserves the right to apply a closing fee of \$6,000 for all applicable loan offers to defray the cost of this service. The \$6,000 may be included in the principal of the loan. If VDH determines a loan closing fee does not apply it will be eliminated from the final budget.

SECTION I – FINANCIAL DATA

1. Annual Operation, Maintenance and Replacement (O, M & R). Estimated Cost for Proposed Facilities:-From PER or other sources based on existing PWS’s financial statements

| | |
|---------------------------|----------|
| a. Labor | \$ _____ |
| b. Utilities | \$ _____ |
| c. Materials | \$ _____ |
| d. Water Purchases | \$ _____ |
| e. Outside Services | \$ _____ |
| f. Miscellaneous Expenses | \$ _____ |
| g. Equipment Replacement | \$ _____ |
| h. Total O, M & R Cost | \$ _____ |

Provide documentation as Attachment C-15 for basis of estimate (i.e. financial statements)
2. Estimated Annual Water Facilities Costs - From PER or other sources based on existing PWS’s **Financial Statements**

| | |
|---|----------|
| a. Net O, M & R (for existing water facilities) USE Financial Statements | \$ _____ |
| b. Existing Annual Debt Service for water system USE Financial Statements | \$ _____ |
| c. O, M & R for Proposed Facilities | \$ _____ |
| d. Total (Sum of a+b+c) | \$ _____ |
3. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue

| | |
|-----------------------|--------------------------|
| a. Residential _____% | b. Nonresidential _____% |
|-----------------------|--------------------------|
4. For the proposed project - Provide a six-year cash flow analysis as **Attachment C-19** - using VDH project only template- of revenue and expenses (operating budget) showing as a bottom line the funds available for debt service.
5. For the entire waterworks - **Provide** a six-year cash flow analysis as **Attachment C-20** – using VDH overall waterworks template- of revenue and expenses (operating budget).

SECTION J – SUSTAINABILITY/RELIABILITY/GPR/CLIMATE READINESS**1. Asset Management Plan:**

To qualify for Asset Management Plan credit, a waterworks must provide documentation as **Attachment C-22** which demonstrates a minimum of the following for the waterworks:

- Inventory of existing assets/infrastructure, (i.e., sources, treatment, storage, etc.)
- Expected useful life of assets vs. remaining useful life.
- Documentation of planned, scheduled maintenance.
- Documentation of an asset replacement or capital improvement reserve.

2. Source Water Protection Info:

To qualify for credit, a waterworks must provide documentation. Please contact VDH Source Water Protection staff.

3. Green Project Reserve (GPR) Business Case:

All applicants must submit To qualify for credit as Green Project Reserve (GPR), a waterworks must show that its proposed DWSRF-funded project has significant (not incidental) green benefits. For credit the project must provide green infrastructure, promote water and/or power efficiency, or provide other innovative environmental benefits. IF there are no identifiable benefits enter “zero” GPR dollars. Attach additional sheets as needed.

| | |
|---|---|
| Applicant | |
| Contact Name and Phone | |
| Project Description and associated costs | |
| What project elements can be classified as potentially green? | |
| Technical Component | |
| Financial Component | |
| GPR Dollars Claimed | \$ and % (as % of VDH funded portion of project) |
| Signature/Date | |